

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

OCEOLA TOWNSHIP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2006

OCEOLA TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - William Bamber
Clerk - Kathleen McLean
Treasurer - Evelyn Cornell

BOARD OF TRUSTEES

William Bamber
Evelyn Cornell
Sean Dunleavy
Robert Henshaw
Kieth Huff
Kathleen McLean
Lance Schuhmacher

LEGAL COUNSEL

Neal Nielsen & Associates

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

PAGE NUMBER

INDEPENDENT AUDITORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS	9
------------------------------------	---

BASIC FINANCIAL STATEMENTS

Government - Wide Financial Statements	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Assets and Liabilities - Fiduciary Funds	23

NOTES TO FINANCIAL STATEMENTS	25
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	35
---	----

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	38
All Debt Service Funds - Combining Balance Sheet	39
All Capital Project Funds - Combining Balance Sheet	40
All Fiduciary Funds - Combining Balance Sheet	41
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	42
All Debt Service Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	43
All Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	44

TABLE OF CONTENTS

PAGE NUMBER

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	47
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	48
Statement of Expenditures - Budget and Actual	49

ROAD MAINTENANCE FUND

Balance Sheet	54
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	55

ROAD MILLAGE FUND

Balance Sheet	57
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	58

LIQUOR LAW ENFORCEMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	60
--	----

RECREATION/CEMETERY FUND

Balance Sheet	62
Statement of Revenues, Expenditures and Changes in Fund Balance	63

BUILDING IMPROVEMENT FUND

Balance Sheet	65
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	65

CEMETERY PERPETUAL CARE FUND

Balance Sheet	68
Statement of Revenues, Expenditures and Changes in Fund Balance	69

EAGER/LATSON WATER DEBT SERVICE FUND

Balance Sheet	71
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72

SEWER DEBT SERVICE #1 FUND

Balance Sheet	74
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	75

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
SEWER DEBT SERVICE #2 FUND	
Balance Sheet	77
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78
SEWER DEBT SERVICE #1A FUND	
Balance Sheet	80
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
WATER DEBT SERVICE #1 FUND	
Balance Sheet	83
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84
THOMPSON LAKE DEBT SERVICE FUND	
Balance Sheet	86
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
OAKCREST DEBT SERVICE FUND	
Balance Sheet	89
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
GOLF CLUB DEBT SERVICE FUND	
Balance Sheet	92
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	93
PINERIDGE ROAD DEBT SERVICE FUND	
Balance Sheet	95
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND	
Balance Sheet	98
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	99
EAGER/LATSON WATER CONSTRUCTION FUND	
Balance Sheet	101
Statement of Revenues, Expenditures and Changes in Fund Balance	102

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
EAGER ROAD CONSTRUCTION FUND	
Balance Sheet	104
Statement of Revenues, Expenditures and Changes in Fund Balance	105
SEWER NEW USER FUND	
Balance Sheet	107
Statement of Revenues, Expenditures and Changes in Fund Balance	108
WATER NEW USER FUND	
Balance Sheet	110
Statement of Revenues, Expenditures and Changes in Fund Balance	111
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND	
Balance Sheet	113
Statement of Revenues, Expenditures and Changes in Fund Balance	114
TRUST AND AGENCY FUND	
Balance Sheet	116
CURRENT TAX FUND	
Balance Sheet	118



PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:

AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

October 31, 2006

Board of Trustees
Oceola Township
1577 North Latson
Howell, Michigan 48843

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of and for the year ended June 30, 2006, which collectively comprise Oceola Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oceola Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 9 through 13 and 35 through 36 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Oceola Township's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining statements and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT
DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis June 30, 2006

Within this section of Ocala Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2006. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail it's relation to net assets.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$11,649,219. This is a \$2,748,969 increase over last year's net assets of \$8,900,250.

The significant increase was the result of the recognition of assessment revenue for a new water district (Eager/Latson) which amounted to over \$2.8M. The assessment began in December 2005 and will be levied over a twenty (20) year period. The assessment revenue will be used to pay back bonds which were sold in the prior year ending June 30, 2005.

The following tables provide a summary of the Township's financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities		Increase
	June 30, 2006	June 30, 2005	(Decrease)
Current and other assets	\$ 27,114,892	\$ 25,627,171	\$ 1,487,721
Capital assets	2,733,500	2,667,573	65,927
Total assets	<u>29,848,392</u>	<u>28,294,744</u>	<u>1,553,648</u>
Other liabilities	114,786	39,146	75,640
Long-term liabilities	18,084,387	19,355,348	(1,270,961)
Total liabilities	<u>18,199,173</u>	<u>19,394,494</u>	<u>(1,195,321)</u>
Net assets:			
Invested in capital assets, net of relate	2,733,500	2,667,573	65,927
Restricted	2,268,150	2,035,812	232,338
Unrestricted	6,647,569	4,196,865	2,450,704
Total net assets	<u>\$ 11,649,219</u>	<u>\$ 8,900,250</u>	<u>\$ 2,748,969</u>

Summary of Changes in Net Assets

	Governmental Activities		Increase
	June 30, 2006	June 30, 2005	(Decrease)
Revenues:			
Program revenues			
Charges for services	\$ 186,243	\$ 266,555	\$ (80,312)
Capital grants and contributions	3,782,683	1,086,449	2,696,234
General revenues			
State shared revenues	573,973	564,539	9,434
Property taxes	716,761	645,922	70,839
Interest income	390,509	246,649	143,860
Interest on special assessments	925,016	763,839	161,177
Other revenues	135,931	92,718	43,213
Total revenues	<u>6,711,116</u>	<u>3,666,671</u>	<u>3,044,445</u>
Expenses			
General government	698,546	630,813	67,733
Public safety	5,065	6,011	(946)
Utility systems	1,766,010	1,953,268	(187,258)
Parks and recreation	58,015	63,345	(5,330)
Roads	577,594	740,152	(162,558)
Interest on long-term debt	856,917	769,180	87,737
Total expenses	<u>3,962,147</u>	<u>4,162,769</u>	<u>(200,622)</u>
Changes in net assets	2,748,969	(496,098)	3,245,067
Beginning net assets	<u>8,900,250</u>	<u>9,396,348</u>	<u>(496,098)</u>
Ending net assets	<u>\$ 11,649,219</u>	<u>\$ 8,900,250</u>	<u>\$ 2,748,969</u>

Financial Analysis of the Township's Funds

The Township has 6 major funds for the year ended June 30, 2006. These funds include:

- General Fund
- Eager/Latson Water Debt Service Fund
- M-59/Latson Water and Sewer Debt ServiceFund
- Eager/Latson Water Construction Fund
- Water New User Fund
- Sewer New User Fund

The General Fund added \$388,731 to its fund balance due to increases in overall general revenues. Expenditures remained approximately the same as the prior year.

The remaining major funds have significant activity in the current year because of the construction and financing activities related to the increased need for water and sewer system services.

General Fund Budgetary Highlights

The Township adopted its budget before the beginning of the fiscal year. One amendment was made during the year to change its original budget. Budget appropriations exceeded actual expenditures by \$228,539 for the year.

Capital Asset and Debt Administration

The Township began an expansion project on its Township Hall late in the year. As of June 30, 2006 \$39,681 was spent toward the expansion and recorded as construction in progress. These costs were related to architectural and engineering services.

The Township also made various equipment purchases totaling \$53,732 which consisted of the following:

Emergency sirens	\$	9,650	
Computer hardware/software		24,399	
Electronic wireless door openers			6,749
Voting equipment		<u>12,934</u>	
	\$	<u>53,732</u>	

The door openers and voting equipment were paid by grant monies distributed through the State of Michigan.

The Township paid \$1,270,961 of principal and \$850,192 of interest to repay various contracts and bonds payable. Most debt is being repaid with special assessments levied on the respective road and utility districts.

Economic Conditions and Future Activities

The Township is currently recognizing a slow down in developer activity. There are several developments (subdivisions) which have almost come to a complete stop regarding new home sales. Management believes the economy for housing will turn-around to a more positive note in two (2) to three (3) years. Future growth will still include additions to the water (MHOG SWATH) and sewer system (G/O SWATH).

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Oceola Township at 1577 North Latson, Howell, Michigan, 48843.

BASIC
FINANCIAL STATEMENTS

GOVERNMENT - WIDE
FINANCIAL STATEMENTS

OCEOLA TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 11,558,854
Cash and cash equivalents - restricted	228,815
Receivables	
State shared revenues	187,454
Accounts receivable - other	102,091
Special assessments - restricted	15,037,678
Capital assets	
Land	2,090,001
Buildings and improvements	766,436
Machinery and equipment	84,334
Construction in progress	39,681
Less: accumulated depreciation	<u>(246,952)</u>
Total assets	<u>29,848,392</u>
LIABILITIES	
Accounts payable	97,235
Accrued liabilities	17,551
Bonds/contracts payable	
Current	1,265,329
Non-current	<u>16,819,058</u>
Total liabilities	<u>18,199,173</u>
NET ASSETS	
Investment in capital assets, net of related debt	2,733,500
Restricted for:	
Debt service	2,268,150
Unrestricted	<u>6,647,569</u>
Total net assets	<u>\$ 11,649,219</u>

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

Functions/Programs	Program Revenues				Total
	Expenses	Charges for Services	Operating Contributions	Grants	
GOVERNMENTAL ACTIVITIES					
General government	\$ (698,546)	\$ 186,243	\$	\$ 19,683	\$ (492,620)
Public safety	(5,065)				(5,065)
Parks and recreation	(58,015)				(58,015)
Roads	(577,594)				(577,594)
Utility systems	(1,766,010)		3,763,000		1,996,990
Interest/fees on long-term debt	(856,917)				(856,917)
Total governmental activities	<u>\$ (3,962,147)</u>	<u>\$ 186,243</u>	<u>\$ 3,763,000</u>	<u>\$ 19,683</u>	<u>6,779</u>
General Revenues:					
Property taxes					716,761
State shared revenues					573,973
Interest on cash and cash equivalents					390,509
Interest on special assessments					925,016
Cable franchise fees					91,616
Rental income					1,810
Other income					<u>42,505</u>
Total general revenues					<u>2,742,190</u>
Changes in net assets					2,748,969
Net assets, July 1, 2005					<u>8,900,250</u>
Net assets, June 30, 2006					<u>\$ 11,649,219</u>

The notes are an integral part of the financial statements.

FUND
FINANCIAL STATEMENTS

OCEOLA TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	General Fund	Eager/Latson Water Debt Service Fund	M-59/Latson Debt Service Fund	Eager/Latson Water Construction Fund	Sewer New User Fund
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,774,181	\$ 280,564	\$ 601,426	\$ 709,101	\$ 2,617,880
Cash and cash equivalents - restricted	228,815				
Receivables					
Special assessments	112,243	2,878,500	7,891,200		50,101
Taxes					
State shared revenues	187,454				
Accounts receivable - other	65,904				
Due from other funds	<u>1,851</u>		<u>12,000</u>	<u>180,716</u>	
Total assets	<u>\$ 2,370,448</u>	<u>\$ 3,159,064</u>	<u>\$ 8,504,626</u>	<u>\$ 889,817</u>	<u>\$ 2,667,981</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 33,841	\$	\$	\$ 4,526	\$ 15,000
Accrued liabilities	17,551				
Due to other funds	2,215	180,716			
Deferred revenues		<u>2,878,500</u>	<u>7,891,200</u>		<u>50,101</u>
Total liabilities	<u>53,607</u>	<u>3,059,216</u>	<u>7,891,200</u>	<u>4,526</u>	<u>65,101</u>
FUND BALANCES					
Unreserved	2,316,841				
Designated for recreation/cemetery					
Reserved for road projects					
Reserved for debt service		99,848	613,426		
Reserved for utilities system				<u>885,291</u>	<u>2,602,880</u>
Total fund balances	<u>2,316,841</u>	<u>99,848</u>	<u>613,426</u>	<u>885,291</u>	<u>2,602,880</u>
Total liabilities and fund balances	<u>\$ 2,370,448</u>	<u>\$ 3,159,064</u>	<u>\$ 8,504,626</u>	<u>\$ 889,817</u>	<u>\$ 2,667,981</u>

The notes are an integral part of the financial statements.

Water New user Fund	Other Non-major Funds	Total
\$ 324,206	\$ 5,251,496	\$ 11,558,854
		228,815
546,990	3,558,644	15,037,678
		187,454
	34,696	100,600
<u>1,236</u>	<u>9,427</u>	<u>205,230</u>
<u>\$ 872,432</u>	<u>\$ 8,854,263</u>	<u>\$ 27,318,631</u>

\$ 5,950	\$ 37,918	\$ 97,235
		17,551
	20,808	203,739
<u>546,990</u>	<u>3,547,483</u>	<u>14,914,274</u>
<u>552,940</u>	<u>3,606,209</u>	<u>15,232,799</u>
	2,258,935	4,575,776
	983,316	983,316
	20,288	20,288
	1,554,876	2,268,150
<u>319,492</u>	<u>430,639</u>	<u>4,238,302</u>
<u>319,492</u>	<u>5,248,054</u>	<u>12,085,832</u>
<u>\$ 872,432</u>	<u>\$ 8,854,263</u>	<u>\$ 27,318,631</u>

OCEOLA TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet		\$12,085,832
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Historical cost	\$ 2,980,452	
Depreciation	<u>(246,952)</u>	
Capital assets net of depreciation		2,733,500
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds/contracts payable		(18,084,387)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>14,914,274</u>
Net assets of governmental activities		<u>\$11,649,219</u>

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Eager/Latson Water Debt Service Fund	M-59/Latson Debt Service Fund	Eager/Latson Water Construction Fund	Sewer New User Fund
<u>REVENUES</u>					
REVENUES					
Taxes	\$ 294,999	\$	\$	\$	\$
Special assessments - principle	22,000	151,500	513,600		10,621
Special assessments - interest		125,745	462,300		3,040
State shared revenues	573,973				
Grant revenue	19,683				
Licenses and permits	21,057				
Connection fees					402,000
Rental income	1,810				
Franchise fees					
Charges for services	165,186				
Interest	68,739	3,855	20,433	66,773	61,320
Miscellaneous	42,442				
Total revenues	<u>1,209,889</u>	<u>281,100</u>	<u>996,333</u>	<u>66,773</u>	<u>476,981</u>
EXPENDITURES					
General government	726,528				
Parks and recreation	58,015				
Roads	42,063				
Public works				1,151,842	32,735
Debt service - principle		125,000	425,000		149,576
Debt service - interest		129,742	308,050		158,401
Miscellaneous		1,430	951		
Total expenditures	<u>826,606</u>	<u>256,172</u>	<u>734,001</u>	<u>1,151,842</u>	<u>340,712</u>
Excess of revenues over (under) expenditures	<u>383,283</u>	<u>24,928</u>	<u>262,332</u>	<u>(1,085,069)</u>	<u>136,269</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds					
Transfers in	5,448				76,440
Transfers (out)			(152,880)		
Total other financing sources (uses)	<u>5,448</u>		<u>(152,880)</u>		<u>76,440</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	388,731	24,928	109,452	(1,085,069)	212,709
FUND BALANCE, JULY 1, 2005	<u>1,928,110</u>	<u>74,920</u>	<u>503,974</u>	<u>1,970,360</u>	<u>2,390,171</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 2,316,841</u>	<u>\$ 99,848</u>	<u>\$ 613,426</u>	<u>\$ 885,291</u>	<u>\$ 2,602,880</u>

The notes are an integral part of the financial statements.

Water New user Fund	Other Non-major Funds	Total
\$	\$	\$
	421,762	716,761
67,750	643,144	1,408,615
36,705	216,780	844,570
		573,973
		19,683
		21,057
331,000		733,000
		1,810
	91,616	91,616
		165,186
5,885	163,504	390,509
	63	42,505
<u>441,340</u>	<u>1,536,869</u>	<u>5,009,285</u>
	43,010	769,538
		58,015
	535,531	577,594
567,696	13,737	1,766,010
	571,385	1,270,961
	253,999	850,192
	4,344	6,725
<u>567,696</u>	<u>1,422,006</u>	<u>5,299,035</u>
<u>(126,356)</u>	<u>114,863</u>	<u>(289,750)</u>
76,440	73,131	231,459
<u>(73,131)</u>	<u>(5,448)</u>	<u>(231,459)</u>
<u>3,309</u>	<u>67,683</u>	
(123,047)	182,546	(289,750)
<u>442,539</u>	<u>5,065,508</u>	<u>12,375,582</u>
<u>\$ 319,492</u>	<u>\$ 5,248,054</u>	<u>\$ 12,085,832</u>

OCEOLA TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ (289,750)
--	--------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 93,413
Depreciation expense	<u>(27,486)</u>

Net	65,927
-----	--------

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Repayment of:	
Bonds payable	700,000
Contracts payable	<u>570,961</u>

Total	1,270,961
-------	-----------

New assessments are recognized in the year levied	3,030,000
---	-----------

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Principal collected on assessments	<u>(1,328,169)</u>
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Change in net assets of governmental activities	<u><u>\$ 2,748,969</u></u>
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The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2006

	<u>AGENCY FUNDS</u>		
	<u>Trust and Agency Fund</u>	<u>Current Tax Fund</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	<u>\$ 113,848</u>	<u>\$ 1,436</u>	<u>\$ 115,284</u>
 <u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 75	\$ 1,416	\$ 1,491
Due to others	<u>113,773</u>	<u>20</u>	<u>113,793</u>
Total liabilities	<u>\$ 113,848</u>	<u>\$ 1,436</u>	<u>\$ 115,284</u>

The notes are an integral part of the financial statements.

NOTES
TO
FINANCIAL
STATEMENTS

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Oceola Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Eager/Latson Water Debt Service Fund accounts for the special assessments levied and related debt associated with the utilities systems constructed for the residents.

The M59/Latson Water and Sewer Debt Service Fund accounts for the special assessments levied and related debt associated with the utilities system constructed for these residents.

The Sewer New User Fund accounts for the connection fees associated with funding the Township's participation in local sewer authority.

The Eager/Latson Water Capital Projects Fund accounts for construction costs associated with this project.

The Water New User Fund accounts for the connection fees associated with funding the Township's participation in local water authority.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis

For the year ended June 30, 2006, expenditures exceeded appropriations in several functional activities in the General Fund.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2005 levy was assessed at an adjusted taxable value of \$ 418,396,972. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General Township operations	.7043
Roads	<u>1.0081</u>
Total millage	<u><u>1.7124</u></u>

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No capital assets or depreciation are shown in the governmental funds' financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Oceola Township as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,851	\$ 2,215
Thompson Lake Debt Service Fund	2,045	
Water New User Fund	1,236	
Trust and Agency Fund		75
Current Tax Fund		1,416
Recreation/Cemetery Fund	517	
Water #1 Debt Service Fund	1,863	2,045
M59/Latson Water and Sewer Fund	180,716	
Road Millage Fund	1,500	16,386
Road Maintenance Fund	3,150	1,860
M59/Latson Debt Service Fund	12,000	
Sewer IA Debt Service Fund	352	
Eager Water Debt Fund		180,716
Building Improvement Fund		517
	<hr/>	<hr/>
Total	<u>\$ 205,230</u>	<u>\$ 205,230</u>

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - PENSION PLAN

The Township maintained a defined contribution plan under Group No. GM-11120-3 with John Hancock. Under this plan employees were required to withhold 7.5% pre-tax dollars which the Township matched dollar for dollar (Township's contribution was also 7.5% of compensation). Thus, a total of 15% was contributed to the plan for each participating employee.

Effective March 1, 2006 the Township Board approved to pull-out of the above plan and replace it with a defined benefit plan with MERS.

Under the grandfather laws, six employees decided to stay with the defined contribution plan with John Hancock. All other employees switched to MERS, therefore, transferring their balances with John Hancock to MERS.

Under MERS, the employee is required to withhold and contribute 7.5% of pre-tax earnings into MERS. The Township contributes 7.4% of employees' earnings.

For the year ending June 30, 2006 the following summarizes contributions attributable to each plan:

	<u>Total</u>	<u>Hancock Defined Contribution Plan</u>	<u>(MERS) Defined Benefit Plan</u>
Payroll	\$ 342,234	\$ 253,082	\$ 89,152
Employee withholding	\$ 25,512	\$ 18,826	\$ 6,686
Township contribution	\$ 25,394	\$ 18,826	\$ 6,568

The total payroll for the Township was \$360,625.

The Township did not have any actuarial information available from MERS through June 30, 2006.

The Township also offers all employees a deferred compensation plan with the ING Group. Participating employees may elect to contribute up to the Internal Revenue Service limit of compensation on a pre-tax basis. The Township does not match employee contributions made into this plan.

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance 7/1/05	Additions	Deletions	Balance 6/30/06
Land	\$ 2,090,001	\$	\$	\$ 2,090,001
Buildings and improvements	766,436			766,436
Machinery and equipment	30,602	53,732		84,334
Construction in progress		39,681		39,681
	<u>2,887,039</u>	<u>93,413</u>		<u>2,980,452</u>
Total capital assets				
Accumulated depreciation	(219,466)	(27,486)		(246,952)
	<u>(219,466)</u>	<u>(27,486)</u>		<u>(246,952)</u>
Governmental activities capital asset, net	<u>\$ 2,667,573</u>	<u>\$ 65,927</u>	<u>\$</u>	<u>\$ 2,733,500</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. No debt is associated with these capital assets.

Depreciation expense was allocated to the following activities:

General government	\$ 22,421
Fire protection	<u>5,065</u>
Total	<u>\$ 27,486</u>

OCEOLA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long term debt for the year.

1. Loan payable to Livingston County, Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds, Series 1998, principal payable in annual installments of \$78,644 starting May 1, 2001, interest is charged at 4.2% to 4.25%, payable semi-annually.
2. Loan payable to Livingston County, dated June 27, 1991, to finance 36.75% of the construction costs of the Genoa-Oceola Sanitary Sewer Drain - Service Area #2. Payable in annual principal installments ranging from \$124,950 graduating to \$161,700 through 2011, plus interest at 2% per annum.
3. Loan payable to Livingston County, dated October 13, 1994, to finance construction costs of the Oceola Township Water Improvement Special Assessment District. Payable in annual principal installments ranging from \$80,000 graduating to \$160,000, plus interest in semi-annual installments through 2014 ranging from 4.5% to 7.0% per annum.
4. Loan payable to Livingston County, dated August 12, 1994, to finance construction costs of the Oceola Township Sanitary Sewer Drain - Service area #1A. Payable in annual principal installments ranging from \$20,000 graduating to \$65,000 through 2014, plus interest in semi-annual installments from 7.25% decreasing to 6.5% per annum.
5. Special assessment bonds payable, dated June 1, 1996, to finance construction costs of certain water service districts (Thompson Lake district). Payable in annual principal installments ranging from \$20,000 graduating to \$30,000 through 2015, plus interest in semi-annual installments from 7% decreasing to 6% per annum.
6. Loan payable to Livingston County, dated August 15, 1996, to finance 20.8% of the construction costs of a water treatment plant and other water system improvements. Payable in annual principal installments ranging from \$27,778 graduating to \$40,109 through 2016, plus interest in semi-annual installments ranging from 8.0% decreasing to 5.25% per annum.
7. Loan payable to Livingston County, dated August 15, 1996, to finance 25% of the construction costs of a water treatment plant. Payable in annual principal installments ranging from \$22,222 to \$53,472 through 2016 plus interest in semi-annual installments ranging from 5.2% increasing to 5.375% per annum.
8. Oakcrest Special Assessment Bonds Payable for road paving, Series 1997. Payable in annual principal installments ranging from \$35,000 to \$40,000 through 2007, plus interest in semi-annual installments at 4.85% per annum.
9. Golf Club Special Assessment Bonds Payable, dated April 1, 1999, to finance construction costs of certain water service districts. Payable in annual principal installments of \$30,000 through 2019, interest is charged at 4.0% graduating to 5% in 2002. Interest payments are paid semi-annually.
10. Pineridge Special Assessment Bonds Payable, dated November 14, 2001 to finance road construction. Payable in annual installments of \$50,000 to \$70,000, through May 1, 2016. Interest is charged at 4.25% graduating to 4.75% paid semi-annually.
11. Contract payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$128,696 to \$320,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
12. M-59/Latson Special Assessment Bonds Payable, dated October 22, 2002 to finance water and sewer construction. Payable in annual installments of \$425,000 to \$450,000, through May 1, 2022. Interest is charged at 3.00% graduating to 5.00% paid semi-annually.
13. Eager/Latson Special Assessment Bonds Payable, dated February 1, 2006 to finance water system construction. Payable in annual installments of \$125,000 to \$155,000, through October 1, 2025. Interest is charged at 3.00% graduating to 4.30% paid semi-annually.

Total long-term debt

<u>Balance 7/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/06</u>
\$ 317,563	\$	\$ 78,643	\$ 238,920
924,262		147,000	777,262
1,260,000		120,000	1,140,000
415,000		35,000	380,000
240,000		20,000	220,000
412,037		18,519	393,518
488,195		22,223	465,972
75,000		35,000	40,000
420,000		30,000	390,000
730,000		65,000	665,000
3,593,291		149,576	3,443,715
7,450,000		425,000	7,025,000
<u>3,030,000</u>	<u></u>	<u>125,000</u>	<u>2,905,000</u>
<u>\$ 19,355,348</u>	<u>\$</u>	<u>\$ 1,270,961</u>	<u>\$ 18,084,387</u>

OCEOLA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - LONG-TERM DEBT - continued

The annual principal requirements to amortize all debt outstanding as of June 30, 2006 are as follows:

2007	\$ 1,353,089
2008	1,338,449
2009	1,362,067
2010	1,302,710
2011	1,323,342
2012 - 2016	5,772,676
2017 - 2021	4,562,054
2022 - 2025	<u>1,070,000</u>
Total	<u>\$ 18,084,387</u>

NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 500,000	\$	\$ 500,000	500,000
Uninsured and uncollateralized	<u>11,287,669</u>	<u>115,284</u>	<u>11,402,953</u>	<u>11,412,458</u>
Total deposits	<u>\$ 11,787,669</u>	<u>\$ 115,284</u>	<u>\$ 11,902,953</u>	<u>\$ 11,912,458</u>

NOTE 8 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

REQUIRED
SUPPLEMENTARY
INFORMATION

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$	\$	\$ 294,999	\$
Tax administration fees			123,859	
Dog licenses			762	
Land use and other permits			20,295	
State shared revenues			573,973	
Board of appeals fees			1,200	
Site plan reviews			23,300	
Zoning fees			5,050	
P.U.D. fees			3,000	
Copy/map charges			4,855	
Fire runs			955	
Special assessments			22,000	
Grant revenues			19,683	
Cemetery lot sales			811	
Interest			68,739	
Reimbursements			27,187	
Hall rental fees			1,810	
Trash day			2,156	
Other revenue			15,255	
Total revenues	1,055,145	1,055,145	1,209,889	154,744
EXPENDITURES				
Board of trustees	32,400	32,400	26,562	5,838
Supervisor	43,150	43,150	42,645	505
Election	14,000	14,000	5,593	8,407
Assessor	71,400	86,400	84,342	2,058
Clerk	79,550	84,550	86,615	(2,065)
Board of review	1,400	1,400	1,809	(409)
Treasurer	87,750	92,750	91,915	835
Building and grounds	52,000	72,000	86,361	(14,361)
General (unallocated)	176,700	176,700	191,468	(14,768)
Planning and zoning	107,100	113,100	109,218	3,882
Public works	308,695	257,695	42,063	215,632
Recreation	81,000	81,000	58,015	22,985
Total expenditures	1,055,145	1,055,145	826,606	228,539
Excess of revenues over (under) expenditures before other financing sources			383,283	383,283
OTHER FINANCING SOURCES				
Transfer in			5,448	5,448
Excess of revenues over (under) expenditures and other financing sources			388,731	388,731
FUND BALANCE, JULY 1, 2005	1,928,110	1,928,110	1,928,110	
FUND BALANCE, JUNE 30, 2006	\$ 1,928,110	\$ 1,928,110	\$ 2,316,841	\$ 388,731

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

OCEOLA TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Road Maintenance Fund</u>	<u>Road Millage Fund</u>	<u>Recreation/ Cemetery Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 84,025	\$ 1,533,239	\$ 980,571
Accounts receivable			
Due from other funds	<u>3,150</u>	<u>1,500</u>	<u>517</u>
Total assets	<u>\$ 87,175</u>	<u>\$ 1,534,739</u>	<u>\$ 981,088</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 1,860	\$ 30,871	\$
Due to other funds	<u>1,860</u>	<u>16,386</u>	<u></u>
Total liabilities	<u>1,860</u>	<u>47,257</u>	<u></u>
FUND BALANCE			
Designated			981,088
Fund balance	<u>85,315</u>	<u>1,487,482</u>	<u></u>
Total fund balance	<u>85,315</u>	<u>1,487,482</u>	<u>981,088</u>
Total liabilities and fund balance	<u>\$ 87,175</u>	<u>\$ 1,534,739</u>	<u>\$ 981,088</u>

<u>Building Improvement Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Total</u>
\$ 658,657	\$ 2,228	\$ 3,258,720
34,696		34,696
<u> </u>	<u> </u>	<u>5,167</u>
<u>\$ 693,353</u>	<u>\$ 2,228</u>	<u>\$ 3,298,583</u>

\$ 6,698	\$	\$ 37,569
517		18,763
<u> </u>	<u> </u>	<u> </u>
7,215		56,332
<u> </u>	<u> </u>	<u> </u>
686,138	2,228	903,316
<u> </u>	<u> </u>	<u>2,338,935</u>
686,138	2,228	3,242,251
<u> </u>	<u> </u>	<u> </u>
<u>\$ 693,353</u>	<u>\$ 2,228</u>	<u>\$ 3,298,583</u>

OCEOLA TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Eager/Latson Water Debt Service Fund</u>	<u>Sewer Debt Service #1 Fund</u>	<u>Sewer Debt Service #2 Fund</u>	<u>Sewer Debt Service #1A Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 280,564	\$ 80,631	\$ 220,157	\$ 238,487
Special assessment receivable	2,878,500	185,877	571,793	232,455
Due from other funds				<u>352</u>
Total assets	<u>\$ 3,159,064</u>	<u>\$ 266,508</u>	<u>\$ 791,950</u>	<u>\$ 471,294</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$	\$	\$
Deferred revenue	2,878,500	185,877	571,793	232,455
Due to other funds	<u>180,716</u>			
Total liabilities	3,059,216	185,877	571,793	232,455
FUND BALANCE				
Fund balance	<u>99,848</u>	<u>80,631</u>	<u>220,157</u>	<u>238,839</u>
Total liabilities and fund balance	<u>\$ 3,159,064</u>	<u>\$ 266,508</u>	<u>\$ 791,950</u>	<u>\$ 471,294</u>

Water Debt Service #1 Fund	Thompson Lake Debt Service Fund	Oakcrest Debt Service Fund	Golf Club Debt Service Fund	Pineridge Road Debt Service Fund	M-59/Latson Water and Sewer Debt Service Fund	Total
\$ 682,569	\$ 128,656	\$ 64,490	\$ 68,222	\$ 58,637	\$ 601,426	\$ 2,423,839
1,319,810	180,225	44,461	391,128	632,895	7,891,200	14,328,344
<u>1,863</u>	<u>2,045</u>				<u>12,000</u>	<u>16,260</u>
<u>\$ 2,004,242</u>	<u>\$ 310,926</u>	<u>\$ 108,951</u>	<u>\$ 459,350</u>	<u>\$ 691,532</u>	<u>\$ 8,504,626</u>	<u>\$ 16,768,443</u>

\$ 1,319,810	\$ 349	\$	\$	\$	\$	\$
<u>2,045</u>	<u>180,225</u>	<u>33,300</u>	<u>391,128</u>	<u>632,895</u>	<u>7,891,200</u>	<u>14,317,183</u>
1,321,855	180,574	33,300	391,128	632,895	7,891,200	14,500,293
<u>682,387</u>	<u>130,352</u>	<u>75,651</u>	<u>68,222</u>	<u>58,637</u>	<u>613,426</u>	<u>2,268,150</u>
<u>\$ 2,004,242</u>	<u>\$ 310,926</u>	<u>\$ 108,951</u>	<u>\$ 459,350</u>	<u>\$ 691,532</u>	<u>\$ 8,504,626</u>	<u>\$ 16,768,443</u>

OCEOLA TOWNSHIP
ALL CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	Eager/Latson Water <u>Construction</u>	Eager Road <u>Construction</u>	Sewer New User <u>Fund</u>	Water New User <u>Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 709,101	\$ 20,288	\$ 2,617,880	\$ 324,206
Contracts receivable - residents			50,101	546,990
Due from other funds	<u>180,716</u>	<u> </u>	<u> </u>	<u>1,236</u>
Total assets	<u>\$ 889,817</u>	<u>\$ 20,288</u>	<u>\$ 2,667,981</u>	<u>\$ 872,432</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts Payable	\$ 4,526	\$	\$ 15,000	\$ 5,950
Deferred revenue	<u> </u>	<u> </u>	<u>50,101</u>	<u>546,990</u>
Total liabilities	4,526		65,101	552,940
FUND BALANCE				
Fund balance	<u>885,291</u>	<u>20,288</u>	<u>2,602,880</u>	<u>319,492</u>
Total liabilities and fund balance	<u>\$ 889,817</u>	<u>\$ 20,288</u>	<u>\$ 2,667,981</u>	<u>\$ 872,432</u>

M-59/Latson Water and Sewer Construction Fund	Total
---	-------

\$ 430,639	\$ 4,102,114
	597,091
	<u>181,952</u>
<u>\$ 430,639</u>	<u>\$ 4,881,157</u>

\$	\$ 25,476
	<u>597,091</u>
	622,567

<u>430,639</u>	<u>4,258,590</u>
<u>\$ 430,639</u>	<u>\$ 4,881,157</u>

OCEOLA TOWNSHIP
ALL FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

		<u>AGENCY FUNDS</u>		
		<u>Trust and Agency Fund</u>	<u>Current Tax Fund</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents		<u>\$ 113,848</u>	<u>\$ 1,436</u>	<u>\$ 115,284</u>
 <u>LIABILITIES</u>				
LIABILITIES				
Due to other funds		\$ 75	\$ 1,416	\$ 1,491
Due to others		<u>113,773</u>	<u>20</u>	<u>113,793</u>
Total liabilities		<u>\$ 113,848</u>	<u>\$ 1,436</u>	<u>\$ 115,284</u>

OCEOLA TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Road Maintenance Fund	Road Millage Fund	Liquor Law Enforcement Fund
REVENUES			
Franchise and lease fees	\$	\$	\$
Taxes		421,762	
Special assessments	58,447		
Miscellaneous		63	
Interest	<u>1,929</u>	<u>38,799</u>	<u>24</u>
Total revenues	<u>60,376</u>	<u>460,624</u>	<u>24</u>
EXPENDITURES			
Maintenance and construction	37,208	439,456	
Miscellaneous fees	<u></u>	<u>593</u>	<u>310</u>
Total expenditures	<u>37,208</u>	<u>440,049</u>	<u>310</u>
Excess of revenues over (under) expenditures	<u>23,168</u>	<u>20,575</u>	<u>(286)</u>
OTHER FINANCING SOURCES (USES)			
Transfer (out)	<u></u>	<u></u>	<u>(448)</u>
Excess of revenues over (under) expenditures and other financing (uses)	23,168	20,575	(734)
FUND BALANCE, JULY 1, 2005	<u>62,147</u>	<u>1,466,907</u>	<u>734</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 85,315</u></u>	<u><u>\$ 1,487,482</u></u>	<u><u>\$</u></u>

<u>Recreation/ Cemetery Fund</u>	<u>Building Improvement Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Total</u>
\$ 1,220	\$ 90,396	\$	\$ 91,616
			421,762
			58,447
			63
<u>31,458</u>	<u>29,625</u>	<u>202</u>	<u>102,037</u>
<u>32,678</u>	<u>120,021</u>	<u>202</u>	<u>673,925</u>
	40,000		516,664
<u>1,039</u>	<u>1,068</u>		<u>3,010</u>
<u>1,039</u>	<u>41,068</u>		<u>519,674</u>
<u>31,639</u>	<u>78,953</u>	<u>202</u>	<u>154,251</u>
		<u>(5,000)</u>	<u>(5,448)</u>
31,639	78,953	(4,798)	148,803
<u>949,449</u>	<u>607,185</u>	<u>7,026</u>	<u>3,093,448</u>
<u>\$ 981,088</u>	<u>\$ 686,138</u>	<u>\$ 2,228</u>	<u>\$ 3,242,251</u>

OCEOLA TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Eager/Latson Water Debt Service Fund	Sewer Debt Service #1 Fund	Sewer Debt Service #2 Fund	Sewer Debt Service #1A Fund
REVENUES				
Special assessments - principle	\$ 151,500	\$ 61,460	\$ 128,256	\$ 34,588
Special assessments - interest	125,745	18,605	14,105	19,472
Interest	<u>3,855</u>	<u>2,920</u>	<u>7,631</u>	<u>8,882</u>
Total revenues	<u>281,100</u>	<u>82,985</u>	<u>149,992</u>	<u>62,942</u>
EXPENDITURES				
Debt service				
Principal	125,000	78,645	147,000	35,000
Interest	129,742	13,497	18,485	24,945
Miscellaneous	<u>1,430</u>	<u>318</u>	<u>260</u>	<u>660</u>
Total expenditures	<u>256,172</u>	<u>92,460</u>	<u>165,745</u>	<u>60,605</u>
Excess of revenues over (under) expenditures	24,928	(9,475)	(15,753)	2,337
OTHER FINANCING SOURCES (USES)				
Transfer in				
Transfer (out)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over (under) expenditures and other financing sources (uses)	24,928	(9,475)	(15,753)	2,337
FUND BALANCE, JULY 1, 2005	<u>74,920</u>	<u>90,106</u>	<u>235,910</u>	<u>236,502</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 99,848</u>	<u>\$ 80,631</u>	<u>\$ 220,157</u>	<u>\$ 238,839</u>

Water Debt Service #1 Fund	Thompson Lake Debt Service Fund	Oakcrest Debt Service Fund	Golf Club Debt Service Fund	Pineridge Road Debt Service Fund	M-59/Latson Water and Sewer Debt Service Fund	Total
\$ 185,426	\$ 29,025	\$ 33,750	\$ 30,087	\$ 82,105	\$ 513,600	\$ 1,249,797
90,583	12,727	4,487	21,061	35,740	462,300	804,825
<u>23,891</u>	<u>4,237</u>	<u>2,052</u>	<u>1,880</u>	<u>1,585</u>	<u>20,433</u>	<u>77,366</u>
<u>299,900</u>	<u>45,989</u>	<u>40,289</u>	<u>53,028</u>	<u>119,430</u>	<u>996,333</u>	<u>2,131,988</u>
160,740	20,000	35,000	30,000	65,000	425,000	1,121,385
126,031	13,953	3,638	21,000	32,450	308,050	691,791
<u>815</u>	<u>784</u>	<u>435</u>	<u>536</u>	<u>536</u>	<u>951</u>	<u>6,725</u>
<u>287,586</u>	<u>34,737</u>	<u>39,073</u>	<u>51,536</u>	<u>97,986</u>	<u>734,001</u>	<u>1,819,901</u>
12,314	11,252	1,216	1,492	21,444	262,332	312,087
	73,131					73,131
					(152,880)	(152,880)
	<u>73,131</u>				<u>(152,880)</u>	<u>(79,749)</u>
12,314	84,383	1,216	1,492	21,444	109,452	232,338
<u>670,073</u>	<u>45,969</u>	<u>74,435</u>	<u>66,730</u>	<u>37,193</u>	<u>503,974</u>	<u>2,035,812</u>
<u>\$ 682,387</u>	<u>\$ 130,352</u>	<u>\$ 75,651</u>	<u>\$ 68,222</u>	<u>\$ 58,637</u>	<u>\$ 613,426</u>	<u>\$ 2,268,150</u>

OCEOLA TOWNSHIP
ALL CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Eager/Latson Water Construction Fund	Eager Road Construction	Sewer New User Fund	Water New User Fund
REVENUES				
Special assessments - principle	\$	\$	\$ 10,621	\$ 67,750
Special assessments - interest			3,040	36,705
Connection fees			402,000	331,000
Interest	<u>66,773</u>	<u>834</u>	<u>61,320</u>	<u>5,885</u>
Total revenues	<u>66,773</u>	<u>834</u>	<u>476,981</u>	<u>441,340</u>
EXPENDITURES				
Debt service - principle			149,576	
Debt service - interest			158,401	
Construction	1,151,242	58,867	30,000	564,961
Audit fees	<u>600</u>		<u>2,735</u>	<u>2,735</u>
Total expenditures	<u>1,151,842</u>	<u>58,867</u>	<u>340,712</u>	<u>567,696</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	(1,085,069)	(58,033)	136,269	(126,356)
OTHER FINANCING SOURCES (USES)				
Transfer in			76,440	76,440
Transfer (out)				<u>(73,131)</u>
Total other financing sources			<u>76,440</u>	<u>3,309</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(1,085,069)	(58,033)	212,709	(123,047)
FUND BALANCE, JULY 1, 2005	<u>1,970,360</u>	<u>78,321</u>	<u>2,390,171</u>	<u>442,539</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 885,291</u>	<u>\$ 20,288</u>	<u>\$ 2,602,880</u>	<u>\$ 319,492</u>

M-59/Latson Water and Sewer Construction Fund	Total
\$	\$ 78,371
	39,745
	733,000
<u>7,555</u>	<u>142,367</u>
<u>7,555</u>	<u>993,483</u>
	149,576
	158,401
13,222	1,818,292
<u>515</u>	<u>6,585</u>
<u>13,737</u>	<u>2,132,854</u>
(6,182)	(1,139,371)
	152,880
	<u>(73,131)</u>
	<u>79,749</u>
(6,182)	(1,059,622)
<u>436,821</u>	<u>5,318,212</u>
<u>\$ 430,639</u>	<u>\$ 4,258,590</u>

INDIVIDUAL
FUNDS

GENERAL
FUND

OCEOLA TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,774,181
Due from State of Michigan	187,454
Due from other funds	1,851
Due from others	<u>65,904</u>

Total unrestricted assets \$ 2,029,390

RESTRICTED ASSETS

Cash and cash equivalents - John Doe	228,815
Special assessments receivable	<u>112,243</u>

Total restricted assets 341,058

Total assets \$ 2,370,448

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 33,841
Pension liability	14,351
Accrued liabilities	3,200
Due to other funds	<u>2,215</u>

Total liabilities \$ 53,607

FUND BALANCE

Fund balance - reserved	341,058
Fund balance - unreserved	<u>1,975,783</u>

Total fund balance 2,316,841

Total liabilities and fund balance \$ 2,370,448

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 294,999	\$
Tax administration fees		123,859	
Dog licenses		762	
Land use and other permits		20,295	
State shared revenues		573,973	
Board of appeals fees		1,200	
Site plan reviews		23,300	
Zoning fees		5,050	
P.U.D. fees		3,000	
Copy/map charges		4,855	
Fire funds		955	
Special assessments		22,000	
Grant revenue		19,683	
Cemetery lot sales		811	
Reimbursements		27,187	
Interest		68,739	
Hall rental fees		1,810	
Trash day		2,156	
Other revenue		<u>15,255</u>	
Total revenues	1,055,145	1,209,889	154,744
EXPENDITURES	<u>1,055,145</u>	<u>826,606</u>	<u>228,539</u>
Excess of revenues over (under) expenditures before other financing sources (uses)		383,283	383,283
OTHER FINANCING SOURCES (USES)			
Transfers in		<u>5,448</u>	<u>5,448</u>
Excess of revenues over (under) expenditures and other financing sources (uses)		388,731	388,731
FUND BALANCE, JULY 1, 2005	<u>1,928,110</u>	<u>1,928,110</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,928,110</u>	<u>\$ 2,316,841</u>	<u>\$ 388,731</u>

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
BOARD OF TRUSTEES			
Salaries	\$	\$ 18,612	\$
Fringe benefits		7,353	
Chargeback taxes		250	
Mileage		<u>347</u>	
Total board of trustees	<u>32,400</u>	<u>26,562</u>	<u>5,838</u>
SUPERVISOR			
Salary		33,626	
Fringe benefits		8,208	
Mileage		711	
Administrative		<u>100</u>	
Total supervisor	<u>43,150</u>	<u>42,645</u>	<u>505</u>
ELECTION			
Salaries		4,031	
Supplies		1,555	
Mileage		<u>7</u>	
Total election	<u>14,000</u>	<u>5,593</u>	<u>8,407</u>
ASSESSOR			
Contract services		42,594	
Assessor - fringe		10,079	
Assistant assessor salary		17,976	
Supplies		1,435	
Tax roll		11,245	
Mileage		178	
Administrative		<u>835</u>	
Total assessor	<u>86,400</u>	<u>84,342</u>	<u>2,058</u>

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
(continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CLERK			
Salary		33,626	
Fringe benefits		8,098	
Deputy salary		25,856	
Deputy fringe		5,724	
Recording secretary		8,794	
Recording secretary fringe		1,628	
Recording coordinator fringe		2,212	
Administrative		280	
Mileage		397	
	<u>84,550</u>	<u>86,615</u>	<u>(2,065)</u>
Total clerk			
BOARD OF REVIEW			
Salaries		1,365	
Supplies		95	
Publishing		349	
	<u>1,400</u>	<u>1,809</u>	<u>(409)</u>
Total board of review			
TREASURER			
Salary		33,626	
Fringe benefits		9,144	
Deputy/assistant salaries		38,052	
Supplies		709	
Deputy assistant fringe		7,524	
Mileage		592	
Administrative		2,268	
	<u>92,750</u>	<u>91,915</u>	<u>835</u>
Total treasurer			

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
(continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
BUILDING AND GROUNDS			
Salary - maintenance		4,943	
Receptionist		16,983	
Supplies		4,580	
Telephone		3,041	
Electricity		5,784	
Heat		6,217	
Publishing		1,106	
Maintenance - hall		13,218	
Insurance		20,000	
Rubbish disposal		930	
Grounds maintenance		4,987	
Equipment maintenance		4,112	
Other		460	
	<u> </u>	<u> </u>	<u> </u>
Total building and grounds	<u>72,000</u>	<u>86,361</u>	<u>(14,361)</u>
GENERAL (UNALLOCATED)			
Cemetery wages		415	
Payroll taxes		27,588	
Pension		25,054	
Supplies		12,781	
Attorney fees		12,425	
Audit fees		5,530	
Professional services		2,567	
Dues and subscriptions		535	
Administrative expense		17,256	
Printing and publishing		466	
Cemetery maintenance		18,729	
Office machine maintenance		1,821	
Senior nutrition		5,222	
Miscellaneous		1,310	
Lease - vehicle		2,027	
Capital outlay		57,742	
	<u> </u>	<u> </u>	<u> </u>
Total general (unallocated)	<u>176,700</u>	<u>191,468</u>	<u>(14,768)</u>

OCEOLA TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
(continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PLANNING AND ZONING			
Planning salaries		16,912	
P.U.D. commissions		8,404	
Planning clerical salaries		12,821	
Planning supplies		38	
Planning consultants		48,780	
Mileage		149	
Planning printing		3,754	
Zoning mileage		86	
Zoning salaries		12,707	
Fringe benefits		3,417	
Board of appeals salaries		385	
Board of appeals publishing		1,765	
	<u> </u>	<u> </u>	<u> </u>
Total planning and zoning	<u>113,100</u>	<u>109,218</u>	<u>3,882</u>
PUBLIC WORKS			
Trash clean up		5,025	
Drains		410	
Street lights		4,341	
Water study		10,387	
Road paving projects		21,900	
	<u> </u>	<u> </u>	<u> </u>
Total public works	<u>257,695</u>	<u>42,063</u>	<u>215,632</u>
RECREATION			
Contribution	<u>81,000</u>	<u>58,015</u>	<u>22,985</u>
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 1,055,145</u>	<u>\$ 826,606</u>	<u>\$ 228,539</u>

ROAD
MAINTENANCE
FUND

OCEOLA TOWNSHIP
ROAD MAINTENANCE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 84,025
Due from other funds	<u>3,150</u>

Total assets	<u>\$ 87,175</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 1,860
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FUND BALANCE

	<u>85,315</u>
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Total liabilities and fund balance	<u>\$ 87,175</u>
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OCEOLA TOWNSHIP
ROAD MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Assessments - various roads	\$	\$ 58,447	\$
Interest		<u>1,929</u>	
Total revenues	54,000	60,376	6,376
EXPENDITURES			
Maintenance - various roads	<u>50,000</u>	<u>37,208</u>	<u>12,792</u>
Excess of revenues over (under) expenditures	4,000	23,168	19,168
FUND BALANCE, JULY 1, 2005	<u>62,147</u>	<u>62,147</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 66,147</u>	<u>\$ 85,315</u>	<u>\$ 19,168</u>

ROAD
MILLAGE
FUND

OCEOLA TOWNSHIP
ROAD MILLAGE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 1,533,239
1,500

Total assets

\$ 1,534,739

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
Due to other funds

\$ 30,871
16,386

Total liabilities

\$ 47,257

FUND BALANCE

1,487,482

Total liabilities and fund balance

\$ 1,534,739

OCEOLA TOWNSHIP
ROAD MILLAGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Tax collections	\$	\$ 421,762	\$
Miscellaneous		63	
Interest		<u>38,799</u>	
Total revenues	<u>450,000</u>	<u>460,624</u>	<u>10,624</u>
EXPENDITURES			
Road maintenance		383,491	
Dust control		55,965	
Audit fees		515	
Miscellaneous		<u>78</u>	
Total expenditures	<u>1,200,000</u>	<u>440,049</u>	<u>759,951</u>
Excess of revenues over (under) expenditures	(750,000)	20,575	770,575
FUND BALANCE, JULY 1, 2005	<u>1,466,907</u>	<u>1,466,907</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 716,907</u>	<u>\$ 1,487,482</u>	<u>\$ 770,575</u>

LIQUOR LAW
ENFORCEMENT
FUND

OCEOLA TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	24	24
EXPENDITURES			
Audit fees	<u>105</u>	<u>310</u>	<u>(205)</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	(105)	(286)	(181)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u></u>	<u>(448)</u>	<u>(448)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(105)	(734)	(629)
FUND BALANCE, JULY 1, 2005	<u>734</u>	<u>734</u>	<u></u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 629</u>	<u>\$</u>	<u>\$ (629)</u>

RECREATION / CEMETERY
FUND

OCEOLA TOWNSHIP
RECREATION/CEMETERY FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 980,571
517

Total assets

\$ 981,088

FUND BALANCE

FUND BALANCE

\$ 981,088

OCEOLA TOWNSHIP
RECREATION/CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES	
Interest	\$ 31,458
Lease	<u>1,220</u>
Total revenues	32,678
EXPENDITURES	<u>1,039</u>
Excess of revenues over (under) expenditures	31,639
FUND BALANCE, JULY 1, 2005	<u>949,449</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 981,088</u>

BUILDING IMPROVEMENT
FUND

OCEOLA TOWNSHIP
BUILDING IMPROVEMENT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Accounts receivable other

\$ 658,657
34,696

Total assets

\$ 693,353

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
Due to other funds

\$ 6,698
517

Total liabilities

\$ 7,215

FUND BALANCE

686,138

Total liabilities and fund balance

\$ 693,353

OCEOLA TOWNSHIP
BUILDING IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Cable fees	\$	\$ 66,744	
Lease		23,652	
Interest		<u>29,625</u>	
Total revenues	<u>80,000</u>	<u>120,021</u>	<u>40,021</u>
EXPENDITURES			
Maintenance/construction		40,000	
Property taxes		<u>1,068</u>	
Total expenditures	<u>400,000</u>	<u>41,068</u>	<u>358,932</u>
Excess of revenues over (under) expenditures	(320,000)	78,953	398,953
FUND BALANCE, JULY 1, 2005	<u>607,185</u>	<u>607,185</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 287,185</u>	<u>\$ 686,138</u>	<u>\$ 398,953</u>

CEMETERY PERPETUAL
CARE
FUND

OCEOLA TOWNSHIP
CEMETERY PERPETUAL CARE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 2,228

FUND BALANCE

FUND BALANCE

\$ 2,228

OCEOLA TOWNSHIP
CEMETERY PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUE	
Interest income	\$ 202
EXPENDITURES	<u> </u>
Excess of revenues over (under) expenditures	202
OTHER FINANCING SOURCES (USES)	
Transfers (out)	<u>(5,000)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(4,798)
FUND BALANCE, JULY 1, 2005	<u>7,026</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 2,228</u>

EAGER / LATSON WATER
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
EAGER/LATSON WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 280,564
Special assessment receivable	<u>2,878,500</u>

Total assets		<u>\$ 3,159,064</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 180,716
Deferred revenue	<u>2,878,500</u>

Total liabilities		\$ 3,059,216
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FUND BALANCE

		<u>99,848</u>
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Total liabilities and fund balance		<u>\$ 3,159,064</u>
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OCEOLA TOWNSHIP
EAGER/LATSON WATER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 151,500	\$
Special assessment interest		125,745	
Interest		<u>3,855</u>	
Total revenues	<u>277,250</u>	<u>281,100</u>	<u>3,850</u>
EXPENDITURES			
Bond principle		125,000	
Bond interest		129,742	
Miscellaneous		<u>1,430</u>	
Total expenditures	<u>277,250</u>	<u>256,172</u>	<u>21,078</u>
Excess of revenues over (under) expenditures		24,928	24,928
FUND BALANCE, JULY 1, 2005	<u>74,920</u>	<u>74,920</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 74,920</u>	<u>\$ 99,848</u>	<u>\$ 24,928</u>

SEWER DEBT SERVICE

#1 FUND

OCEOLA TOWNSHIP
SEWER DEBT SERVICE #1 FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 80,631
Special assessments receivable	<u>185,877</u>

Total assets	<u>\$ 266,508</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 185,877
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FUND BALANCE

<u>80,631</u>

Total liabilities and fund balance	<u>\$ 266,508</u>
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OCEOLA TOWNSHIP
SEWER DEBT SERVICE #1 FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 61,460	\$
Special assessments - interest		18,605	
Interest		<u>2,920</u>	
Total revenues	<u>95,000</u>	<u>82,985</u>	<u>(12,015)</u>
EXPENDITURES			
Debt service			
Principal		78,645	
Interest		13,497	
Agent fees		58	
Audit fees		<u>260</u>	
Total expenditures	<u>100,000</u>	<u>92,460</u>	<u>7,540</u>
Excess of revenues over (under) expenditures	(5,000)	(9,475)	(4,475)
FUND BALANCE, JULY 1, 2005	<u>90,106</u>	<u>90,106</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 85,106</u>	<u>\$ 80,631</u>	<u>\$ (4,475)</u>

SEWER DEBT SERVICE

#2 FUND

OCEOLA TOWNSHIP
SEWER DEBT SERVICE #2 FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 220,157
Special assessments receivable	<u>571,793</u>
Total assets	<u>\$ 791,950</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 571,793
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FUND BALANCE

220,157

Total liabilities and fund balance	<u>\$ 791,950</u>
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OCEOLA TOWNSHIP
SEWER DEBT SERVICE #2 FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 128,256	\$
Special assessments - interest		14,105	
Interest		<u>7,631</u>	
Total revenues	<u>150,000</u>	<u>149,992</u>	<u>(8)</u>
EXPENDITURES			
Debt service			
Principal		147,000	
Interest		18,485	
Audit		<u>260</u>	
Total expenditures	<u>170,000</u>	<u>165,745</u>	<u>4,255</u>
Excess of revenues over (under) expenditures	(20,000)	(15,753)	4,247
FUND BALANCE, JULY 1, 2005	<u>235,910</u>	<u>235,910</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 215,910</u>	<u>\$ 220,157</u>	<u>\$ 4,247</u>

SEWER DEBT SERVICE

#1 A FUND

OCEOLA TOWNSHIP
SEWER DEBT SERVICE #1A FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 238,487
Special assessments receivable	232,455
Due from other funds	<u>352</u>
Total assets	<u>\$ 471,294</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 232,455
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FUND BALANCE

238,839

Total liabilities and fund balance	<u>\$ 471,294</u>
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OCEOLA TOWNSHIP
SEWER DEBT SERVICE #1A FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 34,588	\$
Special assessments - interest		19,472	
Interest		<u>8,882</u>	
Total revenues	<u>63,000</u>	<u>62,942</u>	<u>(58)</u>
EXPENDITURES			
Debt service			
Principal		35,000	
Interest		24,945	
Agent fees		400	
Audit fees		<u>260</u>	
Total expenditures	<u>65,000</u>	<u>60,605</u>	<u>4,395</u>
Excess of revenues over (under) expenditures	(2,000)	2,337	4,337
FUND BALANCE, JULY 1, 2005	<u>236,502</u>	<u>236,502</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 234,502</u>	<u>\$ 238,839</u>	<u>\$ 4,337</u>

WATER DEBT SERVICE

#1 FUND

OCEOLA TOWNSHIP
WATER DEBT SERVICE #1 FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 682,569
Special assessments receivable	1,319,810
Due from other funds	<u>1,863</u>
Total assets	<u>\$ 2,004,242</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 2,045
Deferred revenue	<u>1,319,810</u>
Total liabilities	1,321,855

FUND BALANCE

	<u>682,387</u>
Total liabilities and fund balance	<u>\$ 2,004,242</u>

OCEOLA TOWNSHIP
WATER DEBT SERVICE #1 FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 185,426	\$
Special assessments - interest		90,583	
Interest		<u>23,891</u>	
Total revenues	<u>315,000</u>	<u>299,900</u>	<u>(15,100)</u>
EXPENDITURES			
Debt service			
Principal		160,740	
Interest		126,031	
Agent fees		<u>815</u>	
Total expenditures	<u>330,000</u>	<u>287,586</u>	<u>42,414</u>
Excess of revenues over (under) expenditures	(15,000)	12,314	27,314
FUND BALANCE, JULY 1, 2005	<u>670,073</u>	<u>670,073</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 655,073</u>	<u>\$ 682,387</u>	<u>\$ 27,314</u>

THOMPSON LAKE
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
THOMPSON LAKE DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 128,656
Special assessments receivable	180,225
Due from other funds	<u>2,045</u>
Total assets	<u>\$ 310,926</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 349
Deferred revenue	<u>180,225</u>
Total liabilities	180,574

FUND BALANCE

Total liabilities and fund balance	<u>\$ 310,926</u>
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OCEOLA TOWNSHIP
THOMPSON LAKE DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 29,025	\$
Special assessments - interest		12,727	
Interest		<u>4,237</u>	
Total revenues	<u>36,000</u>	<u>45,989</u>	<u>9,989</u>
EXPENDITURES			
Debt service			
Principal		20,000	
Interest		13,953	
Agent fees		<u>784</u>	
Total expenditures	<u>40,000</u>	<u>34,737</u>	<u>5,263</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	(4,000)	11,252	15,252
OTHER FINANCING SOURCES (USES)			
Transfers in		<u>73,131</u>	<u>73,131</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(4,000)	84,383	88,383
FUND BALANCE, JULY 1, 2005	<u>45,969</u>	<u>45,969</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 41,969</u>	<u>\$ 130,352</u>	<u>\$ 88,383</u>

OAKCREST
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
OAKCREST DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 64,490
Special assessments receivable	<u>44,461</u>

Total assets	<u>\$ 108,951</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 33,300
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FUND BALANCE

	<u>75,651</u>
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Total liabilities and fund balance	<u>\$ 108,951</u>
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OCEOLA TOWNSHIP
OAKCREST DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 33,750	\$
Special assessments - interest		4,487	
Interest		<u>2,052</u>	
Total revenues	<u>55,000</u>	<u>40,289</u>	<u>(14,711)</u>
EXPENDITURES			
Debt service			
Principal		35,000	
Interest		3,638	
Agent fees		<u>435</u>	
Total expenditures	<u>55,000</u>	<u>39,073</u>	<u>15,927</u>
Excess of revenues over (under) expenditures		1,216	1,216
FUND BALANCE, JULY 1, 2005	<u>74,435</u>	<u>74,435</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 74,435</u>	<u>\$ 75,651</u>	<u>\$ 1,216</u>

GOLF CLUB
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
GOLF CLUB DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 68,222
Special assessments receivable	<u>391,128</u>

Total assets	<u>\$ 459,350</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 391,128
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FUND BALANCE

<u>68,222</u>

Total liabilities and fund balance	<u>\$ 459,350</u>
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OCEOLA TOWNSHIP
GOLF CLUB DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 30,087	\$
Special assessments - interest		21,061	
Interest income		<u>1,880</u>	
Total revenues	<u>50,000</u>	<u>53,028</u>	<u>3,028</u>
EXPENDITURES			
Debt service			
Principal		30,000	
Interest		21,000	
Agent fees		<u>536</u>	
Total expenditures	<u>55,000</u>	<u>51,536</u>	<u>3,464</u>
Excess of revenues over (under) expenditures	(5,000)	1,492	6,492
FUND BALANCE, JULY 1, 2005	<u>66,730</u>	<u>66,730</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 61,730</u>	<u>\$ 68,222</u>	<u>\$ 6,492</u>

PINERIDGE ROAD
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
PINERIDGE ROAD DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 58,637
Special assessments receivable	<u>632,895</u>
Total assets	<u>\$ 691,532</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 632,895
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FUND BALANCE

	<u>58,637</u>
Total liabilities and fund balance	<u>\$ 691,532</u>

OCEOLA TOWNSHIP
PINERIDGE ROAD DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 82,105	\$
Special assessments - interest		35,740	
Interest income		<u>1,585</u>	<u></u>
Total revenues	<u>104,000</u>	<u>119,430</u>	<u>15,430</u>
EXPENDITURES			
Debt service			
Principal		65,000	
Interest		32,450	
Agent fees		<u>536</u>	<u></u>
Total expenditures	<u>101,000</u>	<u>97,986</u>	<u>3,014</u>
Excess of revenues over (under) expenditures	3,000	21,444	18,444
FUND BALANCE, JULY 1, 2005	<u>37,193</u>	<u>37,193</u>	<u></u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 40,193</u>	<u>\$ 58,637</u>	<u>\$ 18,444</u>

M-59 / LATSON WATER AND SEWER
DEBT SERVICE
FUND

OCEOLA TOWNSHIP
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 601,426
Special assessments receivable	7,891,200
Due from other funds	<u>12,000</u>
Total assets	<u>\$ 8,504,626</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 7,891,200
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FUND BALANCE

613,426

Total liabilities and fund balance	<u>\$ 8,504,626</u>
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OCEOLA TOWNSHIP
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 513,600	\$
Special assessments - interest		462,300	
Interest		<u>20,433</u>	
Total revenues	<u>980,000</u>	<u>996,333</u>	<u>16,333</u>
EXPENDITURES			
Debt service			
Principal		425,000	
Interest		308,050	
Administrative		<u>951</u>	
Total expenditures	<u>885,000</u>	<u>734,001</u>	<u>150,999</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	95,000	262,332	167,332
OTHER FINANCING (USES)			
Transfers (out)		<u>(152,880)</u>	<u>(152,880)</u>
Excess of revenues over (under) expenditures and other financing (uses)	95,000	109,452	14,452
FUND BALANCE, JULY 1, 2005	<u>503,974</u>	<u>503,974</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 598,974</u>	<u>\$ 613,426</u>	<u>\$ 14,452</u>

EAGER / LATSON WATER
CONSTRUCTION FUND

OCEOLA TOWNSHIP
EAGER/LATSON WATER CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 709,101
Due from other funds	<u>180,716</u>

Total assets		<u>\$ 889,817</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,526
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FUND BALANCE

<u>885,291</u>

Total liabilities and fund balance		<u>\$ 889,817</u>
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OCEOLA TOWNSHIP
EAGER/LATSON WATER CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES		
Interest		\$ 66,773
EXPENDITURES		
Project costs	\$ 1,151,242	
Audit	<u>600</u>	
Total expenditures		<u>1,151,842</u>
Excess of revenues over (under) expenditures		(1,085,069)
FUND BALANCE, JULY 1, 2005		<u>1,970,360</u>
FUND BALANCE, JUNE 30, 2006		<u><u>\$ 885,291</u></u>

EAGER ROAD
CONSTRUCTION
FUND

OCEOLA TOWNSHIP
EAGER ROAD CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS
Cash

\$ 20,288

FUND BALANCE

FUND BALANCE

\$ 20,288

OCEOLA TOWNSHIP
EAGER ROAD CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES	
Interest	\$ 834
EXPENDITURES	
Road project costs	<u>58,867</u>
Excess of revenues over (under) expenditures	(58,033)
FUND BALANCE, JULY 1, 2005	<u>78,321</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 20,288</u>

SEWER NEW USER
FUND

OCEOLA TOWNSHIP
SEWER NEW USER FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 2,617,880
Contracts receivable - residents	<u>50,101</u>
Total assets	<u>\$ 2,667,981</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 15,000	
Deferred revenues	<u>50,101</u>	
Total liabilities		\$ 65,101

FUND BALANCE

	<u>2,602,880</u>
Total liabilities and fund balance	<u>\$ 2,667,981</u>

OCEOLA TOWNSHIP
SEWER NEW USER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES

Connection fees	\$ 402,000
Special assessments - principal	10,621
Special assessments - interest	3,040
Interest	<u>61,320</u>

Total revenues		\$ 476,981
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EXPENDITURES

Audit fees	2,735
G/O Swath Expansion	30,000
Debt - G/O Swath	
Principle	149,576
Interest	<u>158,401</u>

Total expenditures		<u>340,712</u>
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Excess of revenues over (under) expenditures		136,269
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OTHER FINANCING SOURCES

Transfers in		<u>76,440</u>
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Excess of revenues over (under) expenditures and other financing sources		212,709
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FUND BALANCE, JULY 1, 2005		<u>2,390,171</u>
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FUND BALANCE, JUNE 30, 2006		<u><u>\$ 2,602,880</u></u>
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WATER NEW USER
FUND

OCEOLA TOWNSHIP
WATER NEW USER FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 324,206
Contracts receivable - residents	546,990
Due from other funds	<u>1,236</u>
Total assets	<u>\$ 872,432</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 5,950
Deferred revenue	<u>546,990</u>
Total liabilities	\$ 552,940

FUND BALANCE

	<u>319,492</u>
Total liabilities and fund balance	<u>\$ 872,432</u>

OCEOLA TOWNSHIP
WATER NEW USER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES

Connection fees	\$ 331,000	
Special assessments - principal	67,750	
Special assessments - interest	36,705	
Interest	<u>5,885</u>	
Total revenues		\$ 441,340

EXPENDITURES

Construction, maintenance and MHOG expansion	\$ 564,961	
Audit fees	<u>2,735</u>	
Total expenditures		<u>567,696</u>
Excess of revenues over (under) expenditures		(126,356)

OTHER FINANCING SOURCES

Transfers in	76,440	
Transfers (out)	<u>(73,131)</u>	
Total other financing sources		<u>3,309</u>
Excess of revenues over (under) expenditures and other financing sources		(123,047)

FUND BALANCE, JULY 1, 2005	<u>442,539</u>
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FUND BALANCE, JUNE 30, 2006	<u><u>\$ 319,492</u></u>
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M-59 / LATSON WATER AND SEWER
CONSTRUCTION
FUND

OCEOLA TOWNSHIP
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS
Cash

\$ 430,639

FUND BALANCE

FUND BALANCE

\$ 430,639

OCEOLA TOWNSHIP
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR END JUNE 30, 2006

REVENUES		
Interest		\$ 7,555
EXPENDITURES		
Project costs	\$ 13,222	
Audit fees	<u>515</u>	
Total expenditures		<u>13,737</u>
Excess of revenues over (under) expenditures		(6,182)
FUND BALANCE, JULY 1, 2005		<u>436,821</u>
FUND BALANCE, JUNE 30, 2006		<u><u>\$ 430,639</u></u>

TRUST AND AGENCY
FUND

OCEOLA TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 113,848

LIABILITIES

LIABILITIES

Due to other funds

\$ 75

Due to others

113,773

Total liabilities

\$ 113,848

CURRENT
TAX
FUND

OCEOLA TOWNSHIP
CURRENT TAX FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,436

LIABILITIES

LIABILITIES

Due to other funds

\$ 1,416

Due to others

20

Total liabilities

\$ 1,436



PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

October 31, 2006

Honorable Board of Trustees
Oceola Township
1577 North Latson
Howell, Michigan 48843

Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2006 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. Budgets and Salary Resolutions

The Township approved a salary resolution for each elected official for the 2005-2006 fiscal year in July 2005. We believe the resolutions should be approved prior to the fiscal year (i.e. June 2005).

Budget worksheets approved by the Township board could not be reconciled back to the minutes. We suggest certain amounts which are included in the budget worksheet be put into the minutes so the two can be reconciled.

A budget was not approved for the Cemetery/Recreation Fund. This fund is a Special Revenue Fund and should therefore have an approved budget.

2. We noticed some 1099's were not issued for subcontracted services provided by an individual/LLC. In the future, 1099's should be issued to individuals/LLC's who are paid over \$600 per calendar year for services.
3. We found a vendor payment made from a statement and not an invoice. All payments should be made based on invoices from the vendor.
4. It appears the Eager Road Construction Project is complete. The remaining balance should be transferred to the Eager/Latson Water Construction Fund to reimburse for the road costs paid from Eager/Latson Fund. The amount is approximately \$20,000. The Eager Road Construction Fund should be closed.
5. The Township maintains Water and Sewer New User Funds for tap fees coming from water and sewer customers which are not in assessment districts. A few years ago the Township bonded for the Genoa/Oceola Sewer Authority plant expansion. Repayment of the bonds are to come from the Sewer New User Fund receipts.

We recommend the Township create a new fund which would be designated for bond payments. A portion of the cash balance from the Sewer New User Fund should be transferred into the new fund which would be classified as a Debt Service Fund. The amount to transfer should be based on a cash flow analysis.

6. Water and sewer tap fees from customers outside of any assessment districts are receipted by the Township without any duplicate schedules maintained by an office outside of the Treasurer's office. We recommend that the Zoning Department maintain a separate schedule of payments and lot descriptions by the fiscal year which could be reconciled with the Treasurer's Office and the General Ledger.

We would like to thank the township officials and employees that assisted us during the audit process for their cooperation.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of Oceola Township and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants